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How Much Relief Is At Stake for New York Dairy Farmers Under the Administration's New Budget Proposal?

The Administration's new Fiscal Year 2006 budget proposal calls for a 5 percent across-the-board cut for all farm payments—including the MILC program. Introduced in the 2002 Farm Bill, the MILC program has helped dairy farms to survive dangerously low prices by providing over \$186 million in benefits to New York farmers. Currently the MILC program is slated to expire on September 30, 2005. Schumer is a cosponsor of a bipartisan proposal to extend the current MILC program, without cuts, for 2 years and double the annual production cap to 4.8 million pounds—a plan that could mean millions more in relief for New York's dairy farms.

The following study illustrates how dairy farms throughout New York State could fare under both Schumer's and the Administration's proposal. The study finds that over the next two years, if milk prices fluctuate as they have in recent years, New York dairy farmers could receive more than \$145 million in relief under Schumer's extension but only \$118 million under the Administration's proposed cuts to the program—a shortchange of \$27 million.

The following is a **county-by-county breakdown** of how much relief local New York dairy farmers stand to lose if the Bush cuts go through instead of Schumer's MILC extension proposal:

NOTE: The figures are based on historical data for MILC prices and payments under the MILC program from December 2001-December 2004 as well as county milk production data. Analysis assumes that doubling the cap to 4.8 million pounds of production will increase eligible participation by New York dairy farmers in the MILC program from 72% of production to 84% of production.

Capital Region: Over the next two years if milk prices fluctuate as they have in recent years, dairy farmers in the Capital Region would receive approximately \$14.75 million under Schumer's proposal -- \$2.74 million more than they would if the Administration's proposed cuts become law.

County	Potential MILC Payments under Schumer Proposal	Potential MILC Payments under Administration Proposal	<i>Difference</i>
Albany	\$320,000	\$260,000	<i>\$60,000</i>
Fulton	\$750,000	\$610,000	<i>\$140,000</i>
Montgomery	\$3.66 million	\$2.98 million	<i>\$680,000</i>
Rensselaer	\$2.32 million	\$1.89 million	<i>\$430,000</i>
Saratoga	\$1.63 million	\$1.33 million	<i>\$300,000</i>
Schenectady	\$180,000	\$140,000	<i>\$40,000</i>
Schoharie	\$1.42 million	\$1.16 million	<i>\$260,000</i>
Washington	\$4.47 million	\$3.64 million	<i>\$830,000</i>
Capital Region Total	\$14.75 million	\$12.01 million	<i>\$2.74 million</i>

Central New York: Over the next two years if milk prices fluctuate as they have in recent years, dairy farmers in Central New York would receive approximately \$18.11 million under Schumer's proposal -- \$3.36 million more than they would if the Administration's proposed cuts become law.

County	Potential MILC Payments under Schumer Proposal	Potential MILC Payments under Administration Proposal	<i>Difference</i>
Cortland	\$3.26 million	\$2.65 million	<i>\$610,000</i>
Madison	\$4.43 million	\$3.61 million	<i>\$820,000</i>
Oneida	\$5.1 million	\$4.16 million	<i>\$940,000</i>
Onondaga	\$4.35 million	\$3.54 million	<i>\$810,000</i>
Oswego	\$970,000	\$790,000	<i>\$180,000</i>
Central New York Total	\$18.11 million	\$14.75 million	<i>\$3.36 million</i>

Rochester / Finger Lakes: Over the next two years if milk prices fluctuate as they have in recent years, dairy farmers in the Rochester / Finger Lakes region would receive approximately \$24.57 million under Schumer's proposal -- \$4.58 million more than they would if the Administration's proposed cuts become law.

County	Potential MILC Payments under Schumer Proposal	Potential MILC Payments under Administration Proposal	<i>Difference</i>
Livingston	\$4.31 million	\$3.51 million	\$800,000
Monroe	\$830,000	\$670,000	\$160,000
Ontario	\$3.71 million	\$3.02 million	\$690,000
Seneca	\$1.39 million	\$1.13 million	\$260,000
Wayne	\$1.8 million	\$1.46 million	\$340,000
Yates	\$2.25 million	\$1.83 million	\$420,000
Cayuga	\$7.41 million	\$6.04 million	\$1.37 million
Schuyler	\$910,000	\$740,000	\$170,000
Tompkins	\$1.96 million	\$1.59 million	\$370,000
Rochester/ Finger Lakes Total	\$24.57 million	\$19.99 million	\$4.58 million

Hudson Valley: Over the next two years if milk prices fluctuate as they have in recent years, dairy farmers in the Hudson Valley would receive approximately \$5.04 million under Schumer's proposal -- \$950,000 more than they would if the Administration's proposed cuts become law.

County	Potential MILC Payments under Schumer Proposal	Potential MILC Payments under Administration Proposal	<i>Difference</i>
Columbia	\$1.74 million	\$1.41 million	\$330,000
Dutchess	\$550,000	\$450,000	\$100,000
Greene	\$310,000	\$250,000	\$60,000
Orange	\$1.52 million	\$1.24 million	\$280,000
Putnam	--	--	--
Rockland	--	--	--
Sullivan	\$730,000	\$590,000	\$140,000
Ulster	\$170,000	\$140,000	\$30,000
Westchester	\$20,000	\$10,000	\$10,000
Hudson Valley	\$5.04 million	\$4.09 million	\$950,000

North Country: Over the next two years if milk prices fluctuate as they have in recent years, dairy farmers in the North Country would receive approximately \$31 million under Schumer's proposal--\$5.75 million more than they would if the Administration's proposed cuts become law.

County	Potential MILC Payments under Schumer Proposal	Potential MILC Payments under Administration Proposal	Difference
Jefferson	\$6.94 million	\$5.65 million	\$1.29 million
Lewis	\$5.54 million	\$4.51 million	\$1.03 million
St. Lawrence	\$7.59 million	\$6.18 million	\$1.41 million
Clinton	\$4.13 million	\$3.36 million	\$770,000
Essex	\$400,000	\$330,000	\$70,000
Franklin	\$3.58 million	\$2.92 million	\$660,000
Hamilton	--	--	--
Warren	--	--	--
Herkimer	\$2.82 million	\$2.3 million	\$520,000
North Country Total	\$31 million	\$25.25 million	\$5.75 million

Southern Tier: Over the next two years if milk prices fluctuate as they have in recent years, dairy farmers in the Southern Tier would receive approximately \$19.62 million under Schumer's proposal--\$3.63 million more than they would if the Administration's proposed cuts become law.

County	Potential MILC Payments under Schumer Proposal	Potential MILC Payments under Administration Proposal	Difference
Chenango	\$3.89 million	\$3.17 million	\$720,000
Otsego	\$3.46 million	\$2.82 million	\$640,000
Allegany	\$1.96 million	\$1.59 million	\$370,000
Steuben	\$3.92 million	\$3.2 million	\$720,000
Broome	\$1.6 million	\$1.31 million	\$290,000
Chemung	\$550,000	\$450,000	\$100,000
Tioga	\$1.8 million	\$1.46 million	\$340,000
Delaware	\$2.44 million	\$1.99 million	\$450,000
Southern Tier Total	\$19.62 million	\$15.99 million	\$3.63 million

Western New York: Over the next two years if milk prices fluctuate as they have in recent years, dairy farmers in Western New York would receive approximately \$32.12 million under Schumer's proposal--\$5.97 million more than they would if the Administration's proposed cuts become law.

County	Potential MILC Payments under Schumer Proposal	Potential MILC Payments under Administration Proposal	<i>Difference</i>
Erie	\$3.46 million	\$2.82 million	<i>\$640,000</i>
Genesee	\$5.59 million	\$4.55 million	<i>\$1.04 million</i>
Niagara	\$2.07 million	\$1.68 million	<i>\$390,000</i>
Orleans	\$770,000	\$620,000	<i>\$150,000</i>
Wyoming	\$12.15 million	\$9.89 million	<i>\$2.26 million</i>
Cattaraugus	\$3.63 million	\$2.96 million	<i>\$670,000</i>
Chautauqua	\$4.45 million	\$3.63 million	<i>\$820,000</i>
Western New York Total	\$32.12 million	\$26.15 million	<i>\$5.97 million</i>

Source: Schumer estimates based on milk production data from the New York Agricultural Statistics Service; data from the US Department of Agriculture.